

**ASSEMBLY BILL**

**No. 1247**

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**Introduced by Assembly Member Fletcher**

February 18, 2011

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An act relating to the Public Employees' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

AB 1247, as introduced, Fletcher. Public Employees' Retirement System.

The California Constitution commits the sole and exclusive fiduciary duty over the assets of a public pension system to the board that manages it. Existing law requires that the Board of Administration of the Public Employees' Retirement System, its officers, and employees discharge their duties solely in the interest of the participants and beneficiaries of the system.

This bill would state the intent of the Legislature to enact legislation that implements the proposed recommendations of the CalPERS Special Review, issued December 2010, that investigated and addressed issues raised by the use of placement agents.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation that implements the proposed recommendations of the
- 3 CalPERS Special Review, issued December 2010, that investigated
- 4 and addressed problems raised by the use of placement agents. In

- 1 this regard, it is the intent of the Legislature to enact legislation  
2 that addresses, among other things, the following:
- 3 (a) Institutional risk management and oversight.
  - 4 (b) Gifts to employees and staff of the Public Employees'  
5 Retirement System.
  - 6 (c) Employment of members of the Board of Administration of  
7 the Public Employees' Retirement System following their  
8 separation from employment with the system.
  - 9 (d) Responsiveness to public records request.
  - 10 (e) Internal audits.
  - 11 (f) Relationships between external managers or contractors and  
12 placement agents.
  - 13 (g) Conflicts in investment functions.
  - 14 (h) Payment of placement agent fees from investment funds.
  - 15 (i) Expenses for meetings.